

12.0 Air Service Development and Enhancement Program

The Air Service Development and Enhancement Program provides funding to assist airport sponsors attract new air service and maintain or improve existing air service. This air service includes scheduled air service under FAR Part 135 and cargo service.

The Virginia Aviation Board has delegated the authority to review and approve funding requests for the Air Service Development and Enhancement Program to the Virginia Department of Aviation.

12.1 Project Eligibility

The following are examples of items or projects that are eligible for funding under this program to assist sponsors attract, enhance, or retain commercial passenger or cargo services:

- air service studies and reports
- airline visits, including presentation preparation; consultant services; travel and lodging for airport sponsors; and administrative, legal, and incidental costs
- consulting services
- air service data subscriptions
- component market research services such as surveys and data analysis

Ineligible items or projects include:

- cash incentives
- items or projects eligible under the Aviation Promotion Program
- planning, engineering, or construction of capital projects

12.2 State Participation

The state's funding participation is based on the Federal Aviation Administration airport classifications. The maximum state participation rates and amounts are shown in Table 7. The VAB has established a \$20,000 annual ceiling on state participation. After January 1, fund ceiling is removed for the remainder of the fiscal year.

Table 7
Development and Enhancement Funding Levels

Airport Classification*		State Participation
Primary	Medium Hub	1/3 project cost up to \$20,000
	Small Hub	1/2 project cost up to \$20,000
	Non Hub	1/2 project cost up to \$20,000
Non-Primary	Commercial Service	1/2 project cost up to \$20,000
	Reliever	1/2 project cost up to \$20,000
	General Aviation	1/2 project cost up to \$20,000

*based on FAA airport classifications

12.3 Application Process

To request development funds, a sponsor needs to compile a complete application package that must include:

- an *Air Service / Promotion Project Grant Application Form* with original signature and date
- a detailed scope of work
- an estimated budget
- a copy of the airport's annual based aircraft survey

Complete application packages should be mailed or delivered to DOAV. Applications may be submitted anytime during the fiscal year.

12.4 Evaluation and Selection Process

When an application package is received, DOAV will review it for completeness and compliance with eligibility criteria and the purpose of the program. If the criteria are met and funds are available within the program, the application will be approved.

12.5 Agreement Process

Grant agreements will be offered for approved air service development and enhancement projects. Please refer to the agreement process section in Chapter 6 Airport Capital Program for details on grant agreements.

12.6 Project Implementation

DOAV will provide technical assistance for air service development and enhancement projects. The department will also review and provide comments on projects.

12.6.1 Grant Amendments

At any time during the course of a project, the grant agreement for a development project may be amended for an extension of the expiration date. When a sponsor becomes aware of conditions that will necessitate this change, the sponsor should immediately submit to DOAV a written request for a grant amendment. **All grant amendments must be coordinated with DOAV prior to the subject work being initiated.**

12.6.2 Reimbursement

Requests for reimbursement can be made for partial amounts or the full amount. The requests must be made using DOAV's *Request for State Fund Reimbursement Form*. The form must bear the sponsor's original signature and date to certify acceptance of the costs from contractors and others. The form must be submitted with the required supporting documentation, such as a consultant or contractor invoice.

DOAV will review the reimbursement form and supporting documentation. If the submittal is acceptable, payment will be approved. If the submittal is not acceptable, DOAV will contact the sponsor by telephone or email to discuss errors or omissions. If the sponsor cannot be contacted within two business days, the reimbursement package will be returned with a written notification that explains any discrepancy. DOAV will withhold or reduce any reimbursement payment until discrepancies are resolved. **It must be noted that goods ordered and services contracted prior to DOAV approval will not be eligible for reimbursement.**

12.6.3 Project Close-out

A close-out letter will be sent to the sponsor confirming that the project is complete and all payments have been made, unless an audit will be performed as described below.

An audit may be conducted on a project. If an audit is conducted, the sponsor will receive written notification of the outcome and any adjustments that need to be made. After an audit, a closeout letter will be sent to the sponsor.

12.7 Applications by Airport Support Organizations

Airport support organizations, the groups who encourage development activities at air carrier airports, may receive funding under certain criteria that is in accordance with VAB policy defining the Air Service Development and Enhancement Program. To be eligible for this financial assistance, an airport support organization shall be designated by written endorsement of the airport's sponsor. Only one airport support organization is eligible per airport sponsor. The organization shall be incorporated by

the State Corporation Commission and have adopted articles of incorporation and by-laws. In order for an airport support organization to be eligible as an applicant, the airport sponsor must meet the eligibility requirement discussed in Chapter 4 Sponsor Eligibility.

Activities conducted in support of airport infrastructure development by an airport sponsor organization shall be limited to only those projects that are depicted on an approved airport layout plan. Activities conducted in support of air service development by an airport sponsor organization, such as air service studies and airline visits, shall not directly compete or infringe on the air service development activities of another Virginia airport. These activities shall not conflict with the overall programs and development activities which might be initiated by the Governor, the Virginia General Assembly, the VAB, or DOAV.

The state participation rate is 50 percent for projects in which an airport support organization is the applicant. Requests for program funding shall be made in accordance with existing policy which administers the Air Service Development and Enhancement Program. Copies of an airport support organization's incorporation documents and a current written endorsement from the airport sponsor must be included with the funding applications.